

STATE OF ARIZONA
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NEWS RELEASE

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Governor Affirms Support for Women- and Minority-owned Businesses

NR 00:

(PHOENIX—April 6, 2000)—Governor Jane Dee Hull today signed Executive Order 2000-4, which will increase opportunities for small businesses owned by women or minorities to sell goods and services to the State of Arizona.

"I am excited at the prospect of encouraging growth of small businesses owned by women and minorities. The State of Arizona must do what it can to give burgeoning businesses the opportunity to sell their products to State government," Governor Hull said.

National demographic studies show businesses owned by women and minorities are the fastest growing segments of the business sector. In Arizona, more than 50 percent of small businesses are owned by women or minorities, and Arizona's growth rate exceeds that of the nation.

"Corporations around the country recognize the enthusiasm and entrepreneurial spirit of small businesses owned by women and minorities, and corporate business practices reflect a commitment to encourage the growth of these businesses," the Governor said. "Through today's Executive Order, I am directing State agencies to expand their procurement practices to include a more diverse group of potential vendors."

Executive Order 2000-4 mandates that when purchasing goods or services for which state law requires three formal bids, state agencies solicit at least one of those bids from a woman- or minority-owned business. Three bids are required when purchasing goods or services with a value from \$1,000 to \$25,000.

While state law already requires that the bids be solicited from small businesses, the Executive Order goes further and requires for the first time that one of the three bids be from a small business owned by a woman or minority. In contrast, for purchases or contracts over \$25,000, state procurement law requires that the agency issue a "Request for Proposal" (RFP) or "Invitation for Bid" (IFB) which is made public and is open to competition among all bidders who choose to respond. The Council will continue to discuss procurement practices, including how to expand opportunities for women- and minority-owned businesses to participate in larger State contracts.

The requirement to request at least one of three quotes from MBE/WBE businesses is one of six recommendations forwarded to the Governor by her Diversity Advisory Council. Other recommendations, which focused on state procurement practices, include the following:

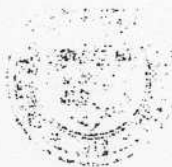
- Implement a universal tracking system to measure MBE/WBE procurement;
- Provide diversity training for all employees involved in the public purchasing process;
- Implement an outreach program for minority- and women-owned business owners;
- Implement prompt pay programs for vendors; and
- Enforce existing law that mandates a quotation rotation system for all agencies.

The Diversity Advisory Council was established in 1999 by Governor Hull to make recommendations to her on matters relating to procurement, recruitment, hiring, retention, and training practices in State government. The Council consists of public and private sector leaders and is chaired by Armando Flores, Executive Vice President, Corporate Business Services, for Pinnacle West.

For more information, contact Ruben Alvarez, Director of the Governor's Office of Equal Opportunity at (602) 542-3711.

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Governor's Diversity Advisory Council

The Diversity Advisory Council was established by Executive Order in July of 1999. The first meeting was held on August 2, 1999. Since then the Council has met monthly. The Council was established to recommend policies and programs that will impact the State's business strategies, programs and employment practices, consistent with the Governor's commitment to diversity. Areas to be addressed include the following:

State procurement: review State procurement practices and how agencies purchase goods and services.

Training development and professional growth: review and recommend programs and practices relating to the enrichment of personal skills and experience.

Other Potential Areas:

Promotion and career advancement: evaluate programs aimed at eliminating barriers to the advancement of women, people from diverse ethnic and racial groups, persons with disabilities, and older workers. Programs such as mentoring, education and training for the purposes of promotion, and career enhancement initiatives should be considered.

Recruitment, hiring and retention: evaluate recruitment and retention programs designed to create and maintain a diverse workforce, such as internships, recruitment practices, and non-monetary reward and recognition practices.

Diversity Training: evaluate existing educational training programs on valuing diversity.

The Governor's Office of Equal Opportunity (GOEO) serves as the coordinating entity for the Council. For more information regarding the Governor's Diversity Advisory Council, please contact Ruben Alvarez, Director of GOEO, at (602) 542-3711.

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TO: All Agency Purchasing Officers

FROM: John O. Adler
Professional Services Administrator

SUBJECT: Procurement Diversity Action Plan

DATE: April 13, 2000

Dear Colleagues,

On April 6, 2000 Governor Jane Dee Hull accepted the procurement recommendations of the Governor's Diversity Council and signed the enclosed Executive Order 2000-4. This is the first procurement diversity program for the State of Arizona. More than half of all Arizona small businesses are minority and women owned. As the fastest growing segment of our Arizona and National business community, minority and women owned businesses play a key role in the development and growth of our State and National economy.

The Arizona Procurement Diversity Program has six action plans:

1. Measure and report purchases from minority and women owned businesses.
2. Incorporate diversity in procurement training programs.
3. Enhance outreach programs to minority and women owned businesses.
4. Timely payments to vendors.
5. Rotation of vendors for competitive quotations.
6. For purchases of less than \$25,000, obtain at least one quotation from a small minority or woman owned business.

As you know, prompt payment and rotation of vendors for quotes is required under current Arizona laws.

The Arizona Procurement Diversity Program is the first step in an evolving process for improving opportunities for minority and women owned firms. I look forward to working with you on this important program. I have enclosed copies of the program action plans, Arizona Directory of Minority/Women-Owned Small Businesses, Executive Order, News Release and instructions for obtaining competitive quotations.

Sincerely,


John O. Adler

State Procurement Office

JANE DEE HULL
GOVERNOR



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**ARIZONA PROCUREMENT DIVERSITY PROGRAM
INSTRUCTIONS FOR OBTAINING QUOTATIONS
FOR PURCHASES OF LESS THAN \$25,000**

Under Arizona laws, State Government agencies are required to seek competition as follows for purchases of less than \$25,000:

- Less than \$1000 - Agencies shall seek adequate competition.
- to \$5,000 - If practicable, agencies shall request verbal or written quotations from at least three bidders.
- to \$9,999 - If practicable, agencies shall request written quotations on State forms from at least three bidders.
- to \$25,000 - Agencies shall request quotations using the State Procurement Office electronic notification/distribution system or seek competitive bids (ARS 41-2533) or proposals (ARS 41-2534).
- When seeking quotations, agencies shall rotate the vendors solicited to give all vendors a fair and equal opportunity to compete.
- When practical, purchases of less than \$25,000 shall be made from small businesses.
- Agencies may not enter into contracts that exceed the delegated procurement authority of the agency.

Pursuant to Executive Order 2000-4, State Government Agencies shall actively seek at least one small minority or woman owned business for the purpose of seeking competitive quotations. To qualify as a minority or women-owned business, the business must be at least 51% minority or women owned. A number of organizations certify minority and women-owned businesses, including Maricopa County, Arizona Department of Transportation, Grand Canyon Minority Supplier Development Council, City of Phoenix and City Tucson.

General Guidelines

1. When seeking quotations, refer to the State Procurement Office registered vendor list, the Arizona Department of Commerce Arizona Directory of Minority/Women Owned Small Businesses, other minority/women-owned business directories or other sources for sources.
2. Contact at least three small businesses, including one minority or women-owned business for a competitive quotation.
3. Agencies shall rotate the vendors invited to submit quotations to give all vendors a fair and reasonable opportunity. The agency should invite quotations from at least two firms that were not invited to submit quotations for the most recent opportunity.
4. If at least one acceptable quotation, with a fair and reasonable price is received, the purchase shall be awarded to the bidder who submits the quotation determined to be the most advantageous for the State.
5. If the agency is unable to find a minority or women-owned firm for the required product or service, the agency shall place a statement in the procurement file and continue to seek quotations from small businesses.

State Procurement Guidelines
Arizona Procurement Diversity Program
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6. If less than three firms respond with a quotation, the agency should request a quotation from at least one additional firm.
7. If the opportunity is posted on the electronic notification/distribution system (Fax-On Demand for purchases of \$10,000 to \$25,000), the agency shall call and notify or transmit the quotation documents to at least one minority or women-owned business.

For questions or additional information, call John Adler in the State Procurement Office, phone (602) 542-9136.

Issued April 14, 2000